GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:3580
ANSWERED ON:22.12.2004
POLICY FOR GRANTING LICENCE
Reddy Shri Karunakara G.

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) the present policy of the Union Government to give licence for telecommunications;

(b) whether the Union Government proposes to do away with the requirement of performance of bank guarantees;

(c) if so, the reasons therefor;

(d) whether any financial bank guarantee has been taken from the private players;

(e) if so, the details thereof?

(f) if not, the reasons therefor; (g) the total number of defaulters who has not paid the licence fees during the last two years and the current year so far; and (h) the steps being taken by the Union Government to recover the same?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD)

(a) The Licences for telecommunications are granted Under Section 4 of Indian Telegraph Act,1885 for various services including Unified Access Services, National Long Distance Services, Infrastructure Provider Category-II, VSAT, International Long Distance Services, Public Mobile Radio Trucking System, Internet Service and some other value added services as per guidelines in this regard.

(b) No Such proposals are under consideration at present.

(c) Does not arise in view of (b) above.

(d) to (f) Financial Bank Guarantees (FBGs) have been taken from private players providing certain telecom services like Basic, Unified Access Services, National Long Distance Services, International Long Distance Services, Public Mobile Radio Trunking System, Cellular. The amount of these FBGs is determined by the respective Licence Agreements, and after commencement of service or one year are generally equivalent to the amount of estimated Licence fees for two quarters per Licence. In certain cases no separate FBG is taken and a single BG securitises the Licence Fee dues as well.

(g) The total number of defaulting companies who have not paid licence fees during the last two Years (2002-03 and 2003-04) and current year so far is 42 in respect of Basic, Unified Access Services, Cellular, VSAT, National Long Distance Services, International long Distance Services, Infrastructure Provider-II, Radio Paging Service Public Mobile Radio Trucking System Licence. This includes companies that had accumulated dues even before 2002-03 and which remain unpaid.

(h) The steps taken by the Government to recover the outstanding License fees include invocation of available Financial and/or Performance Bank Guarantees, adjustments of excess amounts available and legal proceedings.